BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca Issue: 04-41 October 15, 2004

- **Shipments increase 1.7% in August**
- **BC product exports continue to soften in August, falling back 0.8%**
- **Vancouver's violent crime rate second highest among large cities in Canada**

The Economy

- **Shipments of goods manufactured in the province increased 1.7% (*seasonally adjusted*) in August, following a similarly strong gain in the previous month.** The upturn was broadly based, particularly in the durables sector (+1.7%), where shipments advanced in all but one of the industries for which data is published. Machinery manufacturers saw shipments dip (-5.7%) after posting double-digit growth in July. Wood shipments (+2.0%) rose for the eighth month in a row, and shipments by computer manufacturers inched up (+0.2%) after posting losses in four of the previous five months.

  On the non-durables side, shipments advanced 1.8% in August, largely due to solid gains in the two biggest industries: paper (+1.7%) and food (+3.4%) manufacturing.

  Canadian shipments moved ahead 0.8% in August, reflecting robust manufacturing activity in most provinces. Saskatchewan (+8.6%), Newfoundland (+7.3%) and Manitoba (+6.6%) registered particularly strong gains. However, shipments from Alberta rose only marginally (+0.2%), and manufacturers in Quebec (-1.8%) and two of the Atlantic provinces posted declines. Nationally, inventory levels increased as manufacturers stocked up on their products.

  Data Source: Statistics Canada

- **BC product exports continued to soften in August, falling back 0.8% (*seasonally adjusted*).** This marked the third straight month in which exports have either been flat or declined. Energy (+7.3%) was the only commodity group to post an increase. Forest products, which account for the lion's share of BC's exports, fell back 1.4% after dropping 5.6% in July.

  The downturn in the value of exports was largely driven by weak overseas demand (-3.8%) for BC commodities, especially forest (-8.2%) products. Shipments to the US, our most important trading partner, were 0.9% higher than in July. This was primarily due to US imports of BC forest (+2.5%) and energy (+5.1%) products.

  Canadian exports edged down 0.4% in August, as shipments to the US slipped (-1.2%). Japanese (-6.7%) demand for Canadian products also slumped, but exports to other nations strengthened in August. Automotive (+1.5%) and agriculture & fish product (+1.3%) exports expanded, but international shipments of energy (-2.6%) and forest (-0.2%) products were down from July levels.

  Data Source: Statistics Canada & BC Stats

- **Relative to August 2003, exports of BC products were sharply higher (+17.2%, *unadjusted*) this August, the result of strong growth during the first five months of the year.** Since then, the value of exports has levelled off, but remains well above 2003 levels, as is the case in most other parts of the country. Canadian exports were up 19.8% from August 2003, with double-digit increases seen in all but two provinces (PEI and Newfoundland). Saskatchewan (+33.6%) and Alberta (+29.6%) posted the strongest growth.

  In BC, the year-over-year growth was mainly attributable to exports of forest (+24.7%) and industrial (+34.4%) products, but also reflects strong year-over-year increases for other commodities. *Data Source: Statistics Canada*

- **The number of new vehicles driven off car lots in the province edged up (+0.3%, *seasonally adjusted*)) in August, as a modest upswing in vehicle sales continued.** Canadian sales were weak (-1.2%), largely due to a slow-

Did you know...
BC chickens are more laid back than most of their confrères.
They produced an average of 19.6 eggs each in August, 3 less than the Canadian total.

down in Quebec (-4.2%) and Ontario (-1.3%). Auto retailers in Saskatchewan (+4.8%) continued to make solid gains. *Data Source: Statistics Canada*

- **Investment in non-residential building construction increased 4.2% (*seasonally adjusted*) in the third quarter, as spending on new non-residential buildings continued a growth spurt that started at the beginning of the year.** Investment in institutional and government buildings expanded (+11.5%) for the first time since the end of 2003, while industrial building construction was up 3.0%. Investment in new commercial buildings (+1.6%) increased, but at a significantly slower rate than in the second quarter. The building boom was concentrated in the Vancouver metropolitan area, where spending was 9.1% higher than in the second quarter. Investment in new non-residential buildings slipped in both Victoria (-9.9%) and Abbotsford (-5.6%). *Data Source: Statistics Canada*

- **BC (+4.2%, *seasonally adjusted*) and Atlantic Canada (+13.7%) were the only regions where investment in non-residential buildings advanced in the third quarter.** Nationally, investment edged down 0.9%, as investment declined in Ontario (-2.7%) and Quebec (-2.2%), and was flat in Alberta (-0.2%).
Data Source: Statistics Canada

- **The cost of new housing continued to climb in August, rising in both of BC's major metropolitan areas.** In Vancouver, new housing cost an average of 5.5% more than in August 2003. Although new housing prices in the Vancouver CMA have risen substantially, the cost of land has increased only modestly in recent months (+0.8% in August). In contrast, both land (+9.6%) and housing (+8.8%) values contributed to an overall price increase of 9.1% in Victoria. *Data Source: Statistics Canada*

Education and earnings

- **The earnings gap between highly educated couples and those with less schooling has widened considerably during the last two decades.** Between 1980 and 2000, the average earnings of Canadian-born couples in which both spouses had a high school diploma or less showed little change. In contrast, couples who both had university degrees earned 14% to 22% more than their counterparts two decades earlier. About 10% of Canadian-born couples were in this category in 2000, up from 4% in 1980.
Data Source: SC, The Daily

Crime

- **Vancouver had the second-highest violent crime rate (1,028 violent crimes per 100,000 population) among metropolitan areas with a population of at least 500,000 people in 2003.** Winnipeg (1,242) had the highest rate, while Quebec's (489) violent crime rate was the lowest among Canada's nine largest cities. For mid-size cities (population 100,000-499,999), the violent crime rate was highest in Saskatoon (1,718). Abbotsford (1,163) and Victoria (1,136) were ranked sixth and seventh in this group, while Saguenay (509) had the lowest violent crime rate. *Data Source: SC, Catalogue 85-205*

- **Shoplifting is a bigger problem in BC than in other provinces.** Police reported 61 incidents of shoplifting items valued at more than $5,000 in BC last year, accounting for a fifth of all such incidents in Canada. Another 21,552 shoplifting cases (of items valued at $5,000 or less) were reported, a quarter of the national total (86,808), giving BC the highest rate (520 incidents per 100,000 population) among the provinces. The national rate was 274. Seventy-three percent of these cases were cleared by charge or otherwise in BC; nationally the clearance rate was 80%. *Data Source: SC, Catalogue 85-205*

Food consumption

- **Canadians are consuming more fruit than they used to.** Bananas, apples and oranges are the most popular. However, pineapple consumption has tripled in the past 10 years, and now exceeds the consumption of peaches. Canadians consumed an average of 77 kg of fresh vegetables in 2003, nearly half of which was potatoes. Lettuce, carrots, onions and tomatoes were the next most popular vegetables. Chinese cabbage, which is fairly new to the Canadian diet, averaged nearly half a kilo per year, about the same as radishes, and triple the consumption of fresh peas. *Data Source: Statistics Canada*

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October 18, 2004

Infoline Report

Issue: 04-41
October 15, 2004

Contact: Lillian Hallin (250) 387-0366
Originally published in *Business Indicators*, Issue 04-09. Annual Subscription $60 +GST

Made in B.C.—Part 1

This article is excerpted from a document produced by BC Stats for the Canadian Manufacturers and Exporters Association, earlier this year. The text has been updated to incorporate the latest revisions to the data, including changes to the annual survey on which the estimates are based. For some industries, the changes were quite substantial.

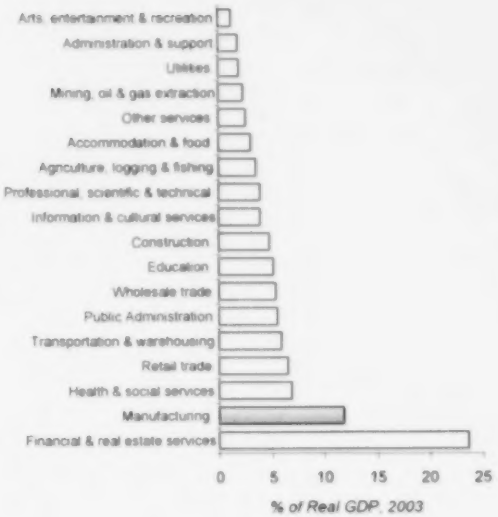
Manufacturing: A key player in British Columbia's economy

British Columbia's manufacturing sector is diverse and broadly based. It includes 21 industry groups, which encompass a wide variety of activities, ranging from the manufacture of clothing, plastics, computers, and aerospace products, to more traditional activities such as food processing or pulp, paper and lumber production.

Manufacturing activities play a key role in British Columbia's economy, generating nearly 12 per cent of the province's total gross domestic product (GDP) and providing employment for one in every ten workers in the province.

In terms of its contribution to total GDP,[1] manufacturing is second only to the finance, insurance and real estate service industry, which produced 24 per cent[2] of the province's GDP in 2003. By comparison, the tourism sector accounts for about four per cent of GDP, while the high technology sector, which includes a substantial manufacturing component, contributes about three per cent of British Columbia's GDP. [3]

Manufacturing is the second biggest industrial sector in the province



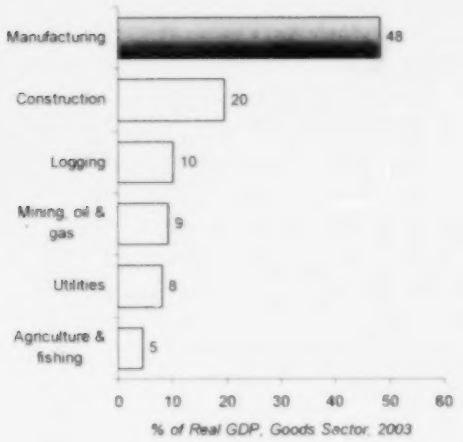
Sources: Statistics Canada and BC Stats
Figure 1

Manufactured products dominate the province's international commodity exports, making up about three-quarters of the total value of goods exported from the province to other countries. They comprise a similar share of BC's interprovincial trade in goods and services.

Within the goods sector, manufacturing accounts for a bigger share of total GDP (48 per cent) and employment (49 per cent) than any other industry. Although the relative size of goods-producing industries in the British Columbia economy has diminished over time (three-quarters of the province's total GDP and eight out of every ten jobs now originate in services), manufacturing continues to be one of the most important economic drivers in the province.

[1] Unless otherwise noted, all GDP figures quoted in this article are in constant (1997) dollars. Other data is reported using current dollars.
[2] About half of this is an imputed estimate of the rental value of owner-occupied housing.
[3] The manufacturing and high technology sectors overlap, since the latter is a special aggregation of various industries that produce high technology products. About a third of the high technology sector's GDP originates in manufacturing activities. These activities are included in the totals for manufacturing throughout this document.

Forty-eight per cent of GDP in the goods sector originates in manufacturing



Sources: Statistics Canada and BC Stats
Figure 2

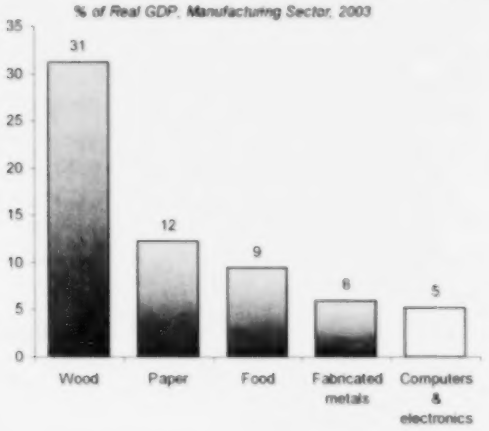
A wide range of products

An abundance of natural resources[1] gives British Columbia a comparative advantage in producing natural resource-based manufactured outputs such as wood and paper products from trees harvested in the province's coastal and interior forests. Wood, paper and food production are the biggest industries in the sector. Together, these three industries accounted for just over half of its total GDP in 2003.

Metal fabricating (six per cent) is also an important activity as are the machinery and computer & electronics industries, each of which generate about five per cent of the manufacturing sector's GDP.

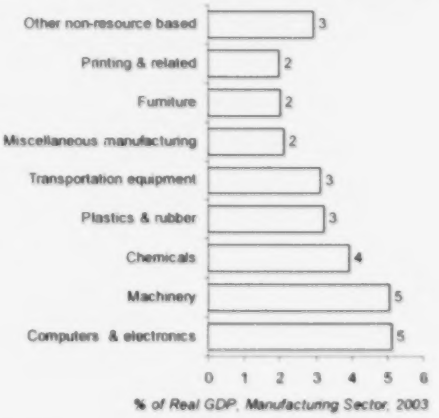
About 30 per cent of the sector's GDP in 2003 originated in industries with no direct links to the resource sector. Many of these industries have exhibited stronger-than-average growth during the last decade. In particular, manufacturers of computers & electronics have seen phenomenal growth, expanding to nearly seven times the 1990 value. Producers of rubber & plastics, furniture, chemicals and electrical equipment have also made significant gains, well in excess of the 32 per cent increase for all manufacturing industries in the province.

Four of the five biggest industries in the manufacturing sector are resource-based...



Sources: Statistics Canada and BC Stats
Figure 3

...but thirty per cent of the sector's GDP originates in non-resource industries



Sources: Statistics Canada and BC Stats
Figure 4

[4] Resource-based manufacturing industries have traditionally been defined as those that rely to a great extent on the processing of primary (agriculture, fishing, forestry or mining) products. Within the manufacturing sector, these industries include: food, beverages, wood, paper, petroleum & coal products, non-metallic minerals, primary metal and fabricated metal manufacturing. It could be argued that metal fabricating should not be included in this list; however, its inclusion is consistent with the definition used in other BC Stats reports.

Primary and secondary processing both important

Manufacturing industries in the province engage in both primary and secondary processing activities. Primary manufacturing,[5] which involves only limited transformation of raw materials into finished products, generated 53 per cent of the manufacturing sector's real GDP in 2002. The forest products, food & beverage and mineral-based manufacturing industries are heavily oriented towards primary processing. However, they are also engaged in secondary manufacturing, producing goods, such as doors and windows or bakery products that have been substantially transformed from their original state. Overall, secondary manufacturing activities account for just under half (47 per cent) of the sector's GDP.

Manufacturing employs ten per cent of the work force

Manufacturing is a major source of employment in BC, providing one out of every ten jobs in the province. Retail trade (12 per cent) and health & social services (11 per cent) are the only industries that employ more British Columbians. By comparison, the tourism (seven per cent) and high technology (three per cent) sectors account for substantially smaller shares of total employment.[6]

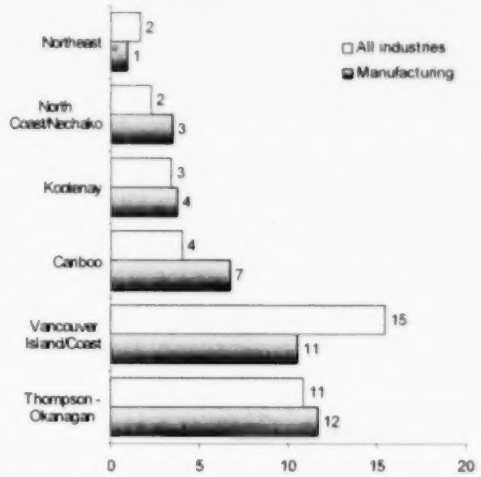
Within manufacturing, the largest employer is the wood industry, providing 24 per cent of the jobs in 2003. The food industry is the second largest employer, accounting for 13 per cent of all manufacturing jobs, while seven per cent of the workers are in the paper industry. Other major employers include the fabricated metals (seven per cent) and transportation equipment (six per cent) industries.

Although primary production continues to dominate output in the manufacturing sector, secondary manufacturing employs the largest number of people. Two-thirds of the jobs in the sector are in secondary manufacturing industries.

Most manufacturing jobs located in the Lower Mainland

Manufacturing is the main source of jobs in many British Columbia communities, and this is reflected in the regional distribution of the workforce. Thompson-Okanagan, Cariboo, Kootenay and North Coast/Nechako all account for a larger share of manufacturing jobs than their share of total employment in the province.

Manufacturing a key employer in regions such as Cariboo, Kootenay and North Coast/Nechako



Regional Employment as a % of Total Employment , 2003

Sources: Statistics Canada and BC Stats
Figure 5

Six out of every ten manufacturing jobs are located in the Lower Mainland/Southwest region of the province, the same percentage as the region's share of total employment. Vancouver Island/Coast, home to 15% of the province's workforce, accounts for just 11% of the jobs in manufacturing. Cariboo and North Coast/Nechako are the regions that are most dependent on manufacturing as a source of employment.

Part 2 of this report will be presented next week, 22 Oct. 2004, in Infoline issue 04-42.

[5] 2002 is the last year for which data on primary and secondary manufacturing are available.

[6] Tourism and high tech are special industry aggregations, and include components of other industries such as retail trade or manufacturing. Employment data for these sectors are based on information from a survey of employers, whereas other employment figures quoted in this report come from the Labour Force Survey.

- CONFERENCE -

Demographic Trends in Canada

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Tuesday, October 26, 2004 - Four Seasons Hotel, 791 West Georgia St. Vancouver BC V6C 2T4
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Agenda

7:30 - 9:00	Registration & Continental Breakfast
9:00 - 9:15	Welcome
9:15 - 10:15	Dr. Doug Norris
10:15 - 10:45	Break
10:45 - 11:40	David Baxter
11:40 - 12:00	Question and Answer
12:00 - 1:00	Lunch (provided)
1:00 - 2:30	Social Panel / Question & Answer
2:30 - 3:00	Break
3:00 - 4:30	Economic Panel / Question & Answer
4:30	Wrap Up / Adjourn

www.demographictrends.ca
for more details

Guest Speakers

- Dr. Doug Norris - Director General, Census and Demographic Statistics Branch, Statistics Canada
- David Baxter - Executive Director, Urban Futures Institute

Panel Members

- Social Panel - Dr. Gloria Gutman, Doug Sabourin, Dr. Charles Ungerleider
- Economic Panel - Kevin Evans, Ken Peacock, Dr. Donna Palmer

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Infoline

October 15, 2004

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/04	% change on one year ago
BC	4,196.4	1.1
Canada	31,825.4	0.9
GDP and INCOME		
(BC - at market prices)	2003	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	142,418	5.1
GDP *($ 1997 millions)*	130,914	2.2
GDP *($ 1997 per Capita)*	31,572	1.4
Personal Disposable Income *($ 1997 per Capita)*	19,495	-0.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug	3,659	1.7
Merchandise Exports - Aug	2,799	-0.8
Retail Sales - Jul	3,964	1.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Aug '04	% change
BC	123.3	1.8
Canada	124.8	1.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep '04	prev. month
Labour Force - BC	2,238	-0.1
Employed - BC	2,080	0.6
Unemployed - BC	158	-8.3
		Aug '04
Unemployment Rate - BC *(percent)*	7.1	7.7
Unemployment Rate - Canada *(percent)*	7.1	7.2
INTEREST RATES (percent)	Oct 13/04	Oct 15/03
Prime Business Rate	4.00	4.50
Conventional Mortgages - 1 year	4.90	4.55
- 5 year	6.50	6.40
US/CANADA EXCHANGE RATE	Oct 13/04	Oct 15/03
(avg. noon spot rate) Cdn $	1.2636	1.3242
US $ *(reciprocal of the closing rate)*	0.7955	0.7540
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Sep '04	one year ago
BC	696.72	1.4
Canada	685.60	2.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

New on our site

Population data for a number of administrative boundaries in B.C. can now be accessed through a new procedure on the BC Stats web site. Instead of providing static html, the user can now select region type, region, year, sex and five-year age group through an interactive selection process for just the data they need, when they need it. This will allow BC Stats to make available updated population data through the web site faster than ever before. The user has the option of viewing the requested information on screen in their browser and/or downloading the data in spreadsheet friendly comma delimited format files.

Historical data are available by age group and sex; projections are freely available only for population.

www.bcstats.gov.bc.ca/data/pop/pop/estspop.htm

Projected age-sex population data are available through our WebStore.

Life Expectancy at birth is also now available, using the same selection procedure, for a variety of different sub-provincial administrative boundaries.

www.bcstats.gov.bc.ca/data/pop/popstart.htm#vital

Released this week by BC STATS

- Labour Force Statistics, September 2004
- Earnings & Employment Trends, Sept. 2004
- Exports, August 2004

Next week

- Tourism Sector Monitor, June 2004

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